Global Environment Facility: Operating with Multiple Implementing Agencies

FCPF Working Group on
Multiple Delivery Partners

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GEF Institutional setting

- **Established in 1991** as a partnership with the World Bank, UNDP and UNEP to avoid the fragmentation of aid in the environment arena and generate global environmental benefits

- The GEF provides new and additional grants and concessional funding to cover the **"incremental" or additional costs associated with transforming a project with national benefits into one with global environmental benefits."**

- **GEF is the only operational financial mechanism linked with** the UNFCCC, CBD, UNCCD and Stockholm conventions

- GEF also provides support for the implementation of **other international environmental agreements** (protection of international waters, phasing-out of ozone-depleting substances in Eastern Europe)

GEF Numbers

- **Replenished every 4 years** for 6 focal areas: Biodiversity, Climate Change, Land Degradation, International Waters, Persistent Organic Pollutants (POPs), ODS
- **$9 billion approved** to date, with nearly $40 billion co-financing
- **70%** of completed projects show progress towards impact.
- 1994-2010: **Five replenishments**
- GEF-5 (most recent): **$4.34 billion**
- **GEF-5 dedicated window for REDD+** with $250 million to leverage additional $750 million for 2010-2014

History of GEF Replenishments

Pilot Phase (1991-1994)	**$1.00 billion**
GEF-1 (1994-1998)	**$2.023 billion**
GEF-2 (1998-2002)	**$2.075 billion**
GEF-3 (2002-2006)	**$3.000 billion**
GEF-4 (2006-2010)	**$3.135 billion**
GEF-5 (2010-2014)	**$4.340 billion**

Allocation of Resources

- As part of the replenishment process, GEF allocates resources to all eligible countries while concentrating on the most strategic countries for **maximum impact on the global environment**
- **Performance-based allocation** system (for Biodiversity, Climate Change and Land Degradation)
- The GEF-4 Resource Allocation Framework (**RAF**) and the GEF-5 **STAR** system

The GEF Arrangement at the International Level

Global Environment Facility

GEF - UNDP

- Technical assistance, capacity building
- Global presence: 132 countries
- 1,000 projects
- $2.5 billion invested, leveraging $3 billion in co-financing
- Small Grants Programme
  - Over 7,000 community-based projects in 95 countries (average grant $20,000)

GEF- UNEP

- Science, knowledge, broker in multi-stakeholder consultations
- Hosts GEF Scientific and Technical Advisory Panel (STAP)
- Over 580 projects in 153 countries
- $ 1 billion of investments

GEF - World Bank

- Investment projects (some tied to World Bank project financing, some independent)
- 350 projects in 106 countries
- $3 billion in GEF financing
- Serves as Trustee and Administrator of the GEF Fund

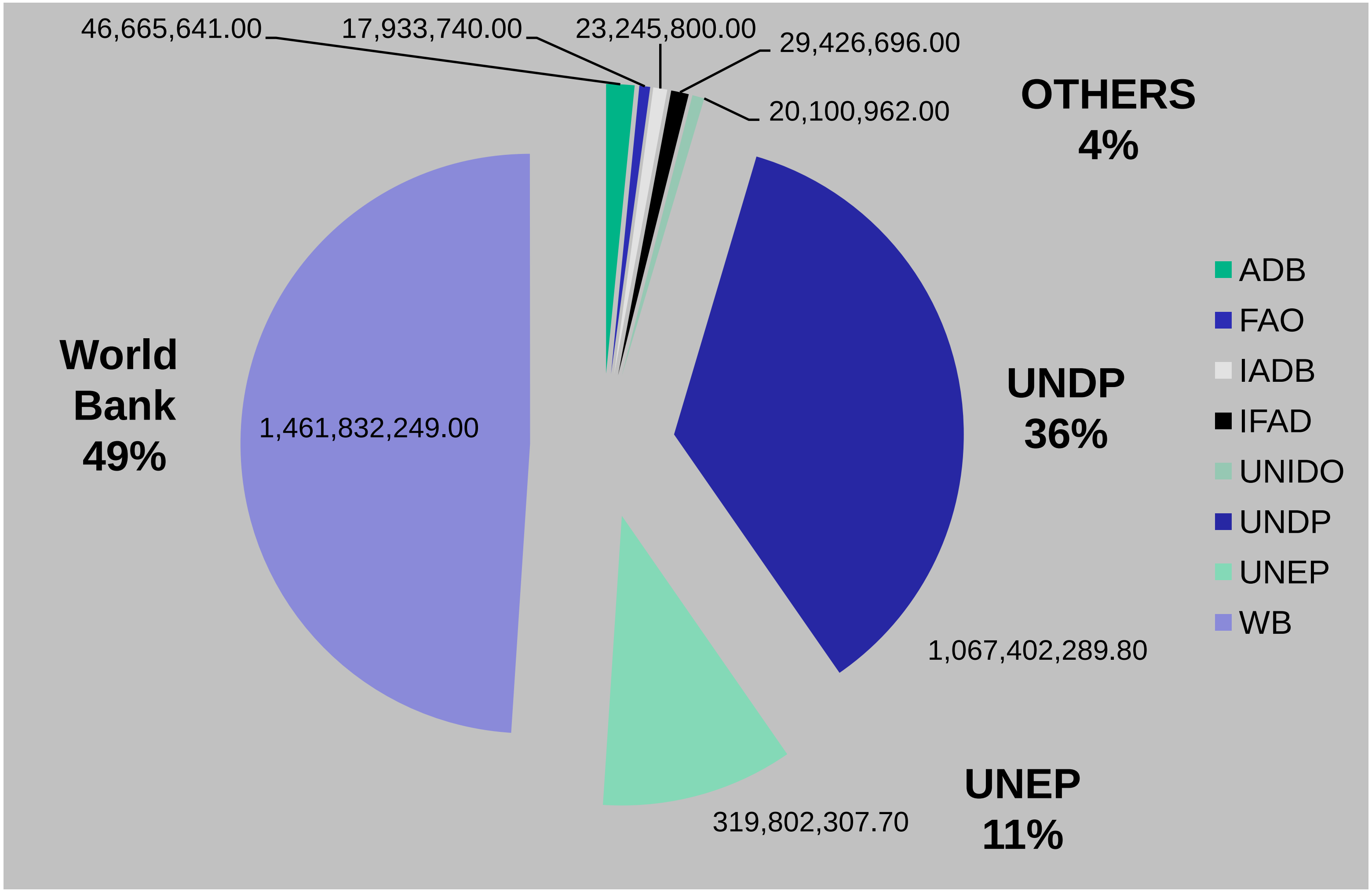
Phases of the GEF Partnership

- 1991 – 1999: Three Implementing Agencies with direct access to GEF resources: UNDP, UNEP and the World Bank
- 1999 – 2006: Seven additional Executing Agencies brought in through a phased approach, for specific focal areas and projects
- Post 2006: level playing field for all 10 agencies

Policy of Expanded Opportunities
GEF Executing Agencies

- Contribute to management and implementation of GEF Projects
- Provide special expertise and enhanced delivery of GEF projects
- Increase innovative project ideas
- Leverage additional resources

Grants by Agency
GEF-3 Cycle (2002-2006)



Level Playing Field

- Executing Agencies identified structural and procedural barriers to the full utilization of their potential as GEF partners
- Executing Agencies asked for policies that better harnessed their expertise
- Level playing field approach adopted
- Comparative Advantage analysis of agencies introduced
- GEF Trustee (World Bank) with a central mandate in advising new entities

Comparative Advantages of Agencies

- Country ownership and stakeholder involvement are fundamental operational principles
- Countries directly influence the selection of the most appropriate agency for particular projects
- Country ownership balanced by assessment of comparative advantage of agencies

GEF Council Decision
October 2006

- Seven EAs are granted direct access to GEF funding based on comparative advantages
- Corporate budget to IAs was abolished and project based fee applicable to all agencies increased from 9% to 10%
- 9% fee covers for project cycle management services
- Comparative advantage of an agency is to be assessed by the GEF Secretariat in consultation with the country

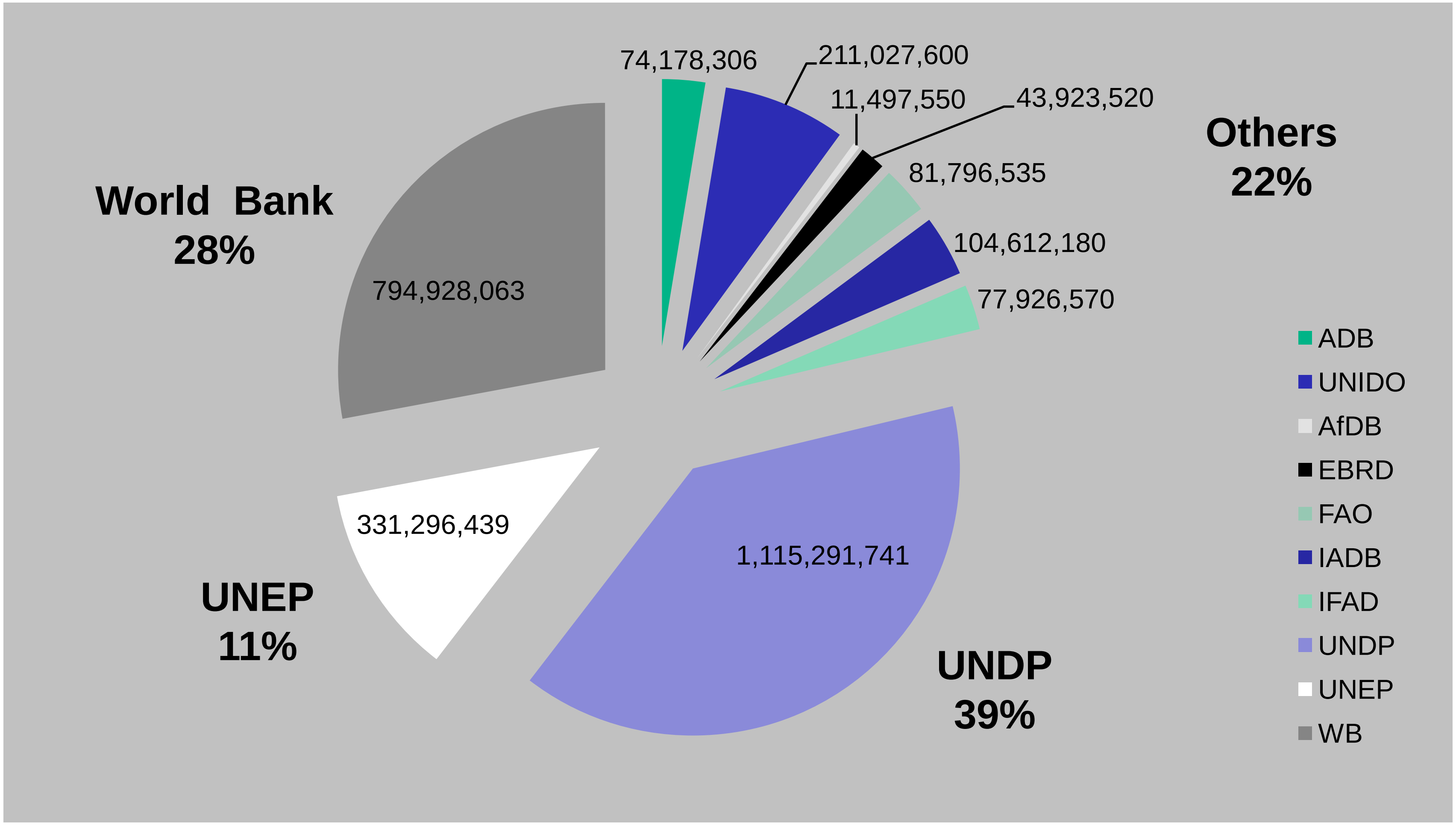
Assessment of Comparative Advantage
Major Types of Intervention

- Capacity building and technical assistance
- Technical and scientific analysis, environmental assessments, development and demonstration of tools and methods, policy frameworks
- Investment and related interventions

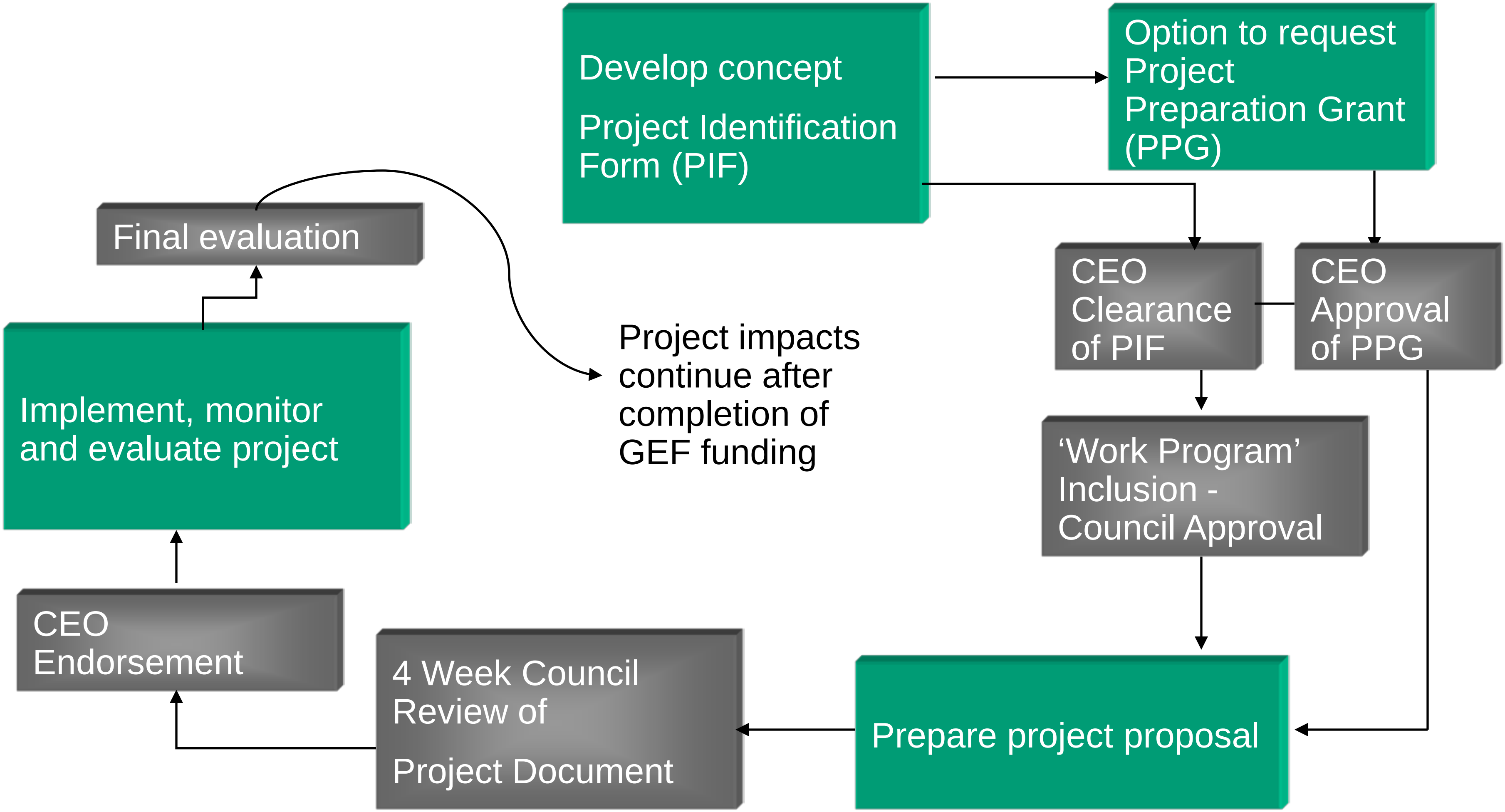
Assessment of Comparative Advantage

- Institutional role and core functions stated in mandate, mission statement and policies of governing body
- Existing capacity, expertise and experience as reflected in business plans and existing portfolio
- Ability to ensure delivery and management of projects through field presence or well-established networks
- Agency’s performance in implementing projects

Grants by Agency
GEF-4 Cycle (2006-2010)



Project Cycle: Full Size Projects



Project Review Criteria

- Country eligibility
- Consistency with GEF focal area strategies and operational modalities
- Comparative advantage of GEF Agency submitting PIF
- Estimated cost of the project, including expected co-financing
- Consistency of the GEF grant request with resources available in the focal area and STAR allocations
- Milestones for further project processing

Roles of the Trustee

- The Council approves funding, the Trustee sets aside the amounts approved for the projects and fees, and these are made available for commitments by the Trustee to the GEF Agencies
- Transfer of funds from the Trustee to Agencies are made following the procedures agreed between the GEF Agencies and the Trustee
- Upon financial closures of projects/activities, the GEF Agencies report to the Trustee any unused funds.
- Co-chairs the replenishment negotiations

What Lies Ahead?

"Operationalization of Paragraph 28 of the GEF Instrument"

- "…. project preparation and execution by MDBs, specialized agencies and programs of the UN, other international organizations, bilateral development agencies, national institutions, non-governmental organizations, private sector entities and academics institutions taking into account their comparative advantages…"

Broadening Access to GEF Resources

- Update operational modalities, experimenting with the expansion of access to GEF resources to national institutions, multilateral and regional agencies and Civil Society Organizations (CSOs).
- Many have already successfully executed GEF projects under supervision of GEF agencies.

Broadening Access to GEF Resources

- Accreditation and entry process as applied to other agencies.
- New agencies to cover the costs of accreditation.
- Accreditation to cover value-added to the GEF, assessment of the applicant’s capacity to execute GEF projects and ability to meet GEF’s fiduciary standards and other project management rules.
- Possible role for an accreditation panel that will present recommendations to the GEF Council

Thank you